



# Community Discussion

Public Safety Community Facilities District



# The Discussion

---



- ❖ Kingsburg is considered one of the safest towns in the Central Valley; desire to maintain our community
- ❖ New revenue generating opportunities provide some relief, but do not meet personnel needs
- ❖ Residents have expressed a desire to increase and enhance public safety operations during several public meetings.
- ❖ Voter approved process is a requirement when attempting to raise new funds





# Local Funds for Local Services

---

- ❖ Voter-enacted funds are locally-controlled and cannot be taken away by the State.
- ❖ New Community Facilities District (CFD) would produce funds to support services related to public safety:
  - Fire Dept. personnel & equipment
  - Police Dept. personnel & equipment
  - Maintenance & operation of each dept.
  - Animal Control operations
- ❖ Residents have expressed a desire to increase and enhance public safety operations during several public meetings.
- ❖ Mail-only ballot would require a two-thirds (66%) vote in order to pass.

# Kingsburg's Fiscal Challenges

---



- ❖ Both Police & Fire Operations are either fully or partially funded through the City's General Fund ("GF"). This has an impact on all GF operations (PW, Parks, Building, Senior Svcs.).
- ❖ Police & Fire are the two largest departmental budgets (comprise approximately 60% of GF budget).
- ❖ Limited options as it relates to new service obligations and new revenue generation (sales tax measure, parcel tax)
- ❖ State continues to reduce funding sources for other areas (gas tax, local transportation funding).
  - This requires the GF to bear more of the burden on addressing other priorities (parks, road maintenance, etc.)



# Existing Costs - Police

---



- ❖ The City spends approximately 53% of general fund dollars on Police Services.
- ❖ 83% of all Police expenditures are for wages and benefits (health ins., workers compensation, pension, etc.)
- ❖ Approximately 15% is used for maintenance and operation, which limits the ability to provide necessary equipment, training and supplies.
- ❖ In 2016/17 only 1% of the budget costs were utilized on capital expenditures (new vehicles).

# Existing Costs – Fire/EMS

---



- ❖ The Fire/Ambulance Fund operates as an enterprise fund, keeping revenues and expenditures separate from the GF. However, given the shortfall of this account, the GF has subsidized the enterprise fund upwards of \$600,000 per year. (About 7% in 16/17)
- ❖ Fire/Ambulance services run nearly \$3.9mm annually (including ambulance write-offs).
- ❖ Wages/Benefits account for \$1.1mm, with ambulance operations accounting for the majority of expenditures.
- ❖ Capital expenditures are approximately 2% of the overall budget.
- ❖ New equipment is expensive (bonds).



# Sales Tax

---

- ❖ Sales Tax, for the most part, is point of sale. People pay 1% of the purchase price in sales tax for the City of Kingsburg. The state and county also get sales tax from the purchase, but our focus can be the 1% of purchase price that comes back to the City.
  - Example: A 20-gallon gasoline purchase at \$2.50 a gallon means the City gets ( $1\% \times 20 \times 2.5 = \$0.50$ ) from the purchase of those 20 gallons. The same is true for purchases at restaurants, department stores, home supply stores, car repairs (parts only), etc.





# Sales Tax

**DTA** DAVID TAUSSIG  
& ASSOCIATES  
Public Finance and Urban Economics  
2250 Hyde Street, 5th Floor, San Francisco, CA 94109

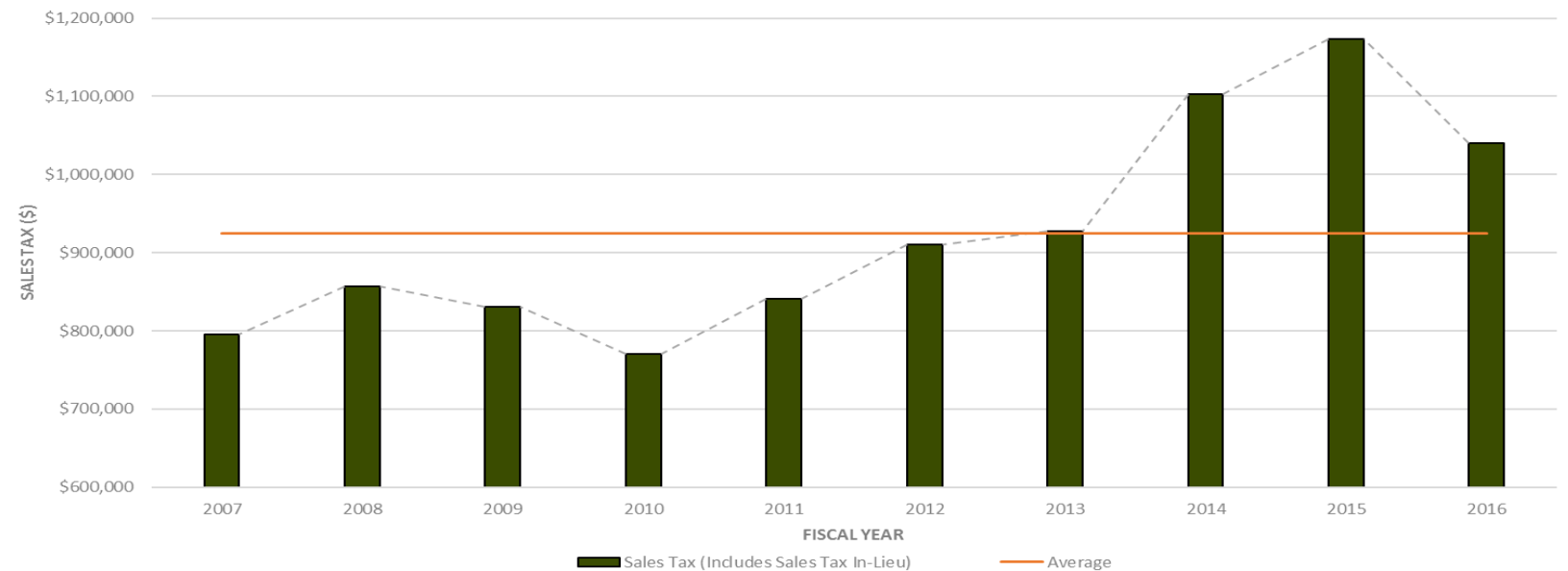
## Sales Tax City of Kingsburg

Tax Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Sales Tax (Includes Sales Tax In-Lieu)	\$795,215	\$856,672	\$830,799	\$770,977	\$840,604	\$910,114	\$927,138	\$1,102,725	\$1,173,112	\$1,040,000
Sales Tax (Excluding Sales Tax In-Lieu)	\$600,527	\$639,728	\$611,824	\$589,932	\$629,554	\$693,022	\$670,748	\$752,394	\$915,068	\$780,000

**10-Year Average:**

**\$924,736**

City of Kingsburg Historical Sales Tax (FY07-16)





# Our Financial Outlook

---



- ❖ Prudent financial planning and better than anticipated revenues have provided consistent funding to maintain operations at current levels.
- ❖ However, sales tax projections are expected to decline with the continued reduction in brick & mortar stores (Kmart, etc.) as consumers move to online shopping.
- ❖ The City collects 1% of all sales tax transactions within the City limits. However, it collects only 1% of 1% for online purchases which are directed through the Fresno Co. pool.
  - Continue to pursue economic development opportunities to increase revenue base.
- ❖ Costs to maintain operations continue to increase. New challenges (Prop 47) have put more stress on local jurisdictions.

# How Have We Controlled Costs?

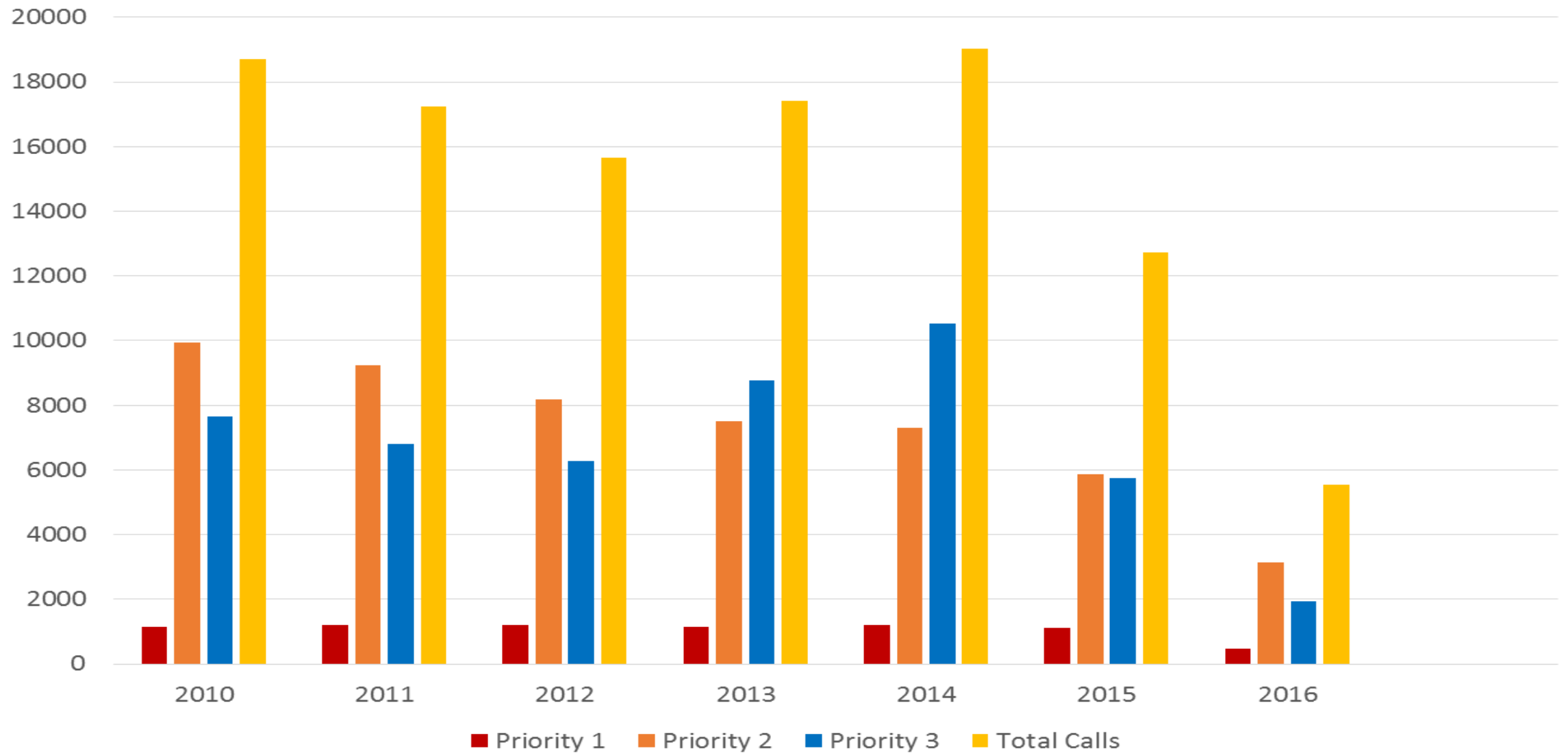
---



- ❖ General Fund expenditures have remained nearly constant since 2012-2013.
- ❖ The City's police & fire departments suffered layoffs in 2011-12 as part of pension/benefit reform.
- ❖ Medical benefit changes have resulted in lower costs nearly each year since 2011-2012. However, market changes coupled with employee demographics project a significant increase in 2016-17. The City examines insurance design each year.
- ❖ Pension reform has assisted the City in controlling costs since 2011. However, CalPERS new "smoothing" formula addresses unfunded liabilities and will increase employer required contributions for the next several years.



## Police Department Calls for Service





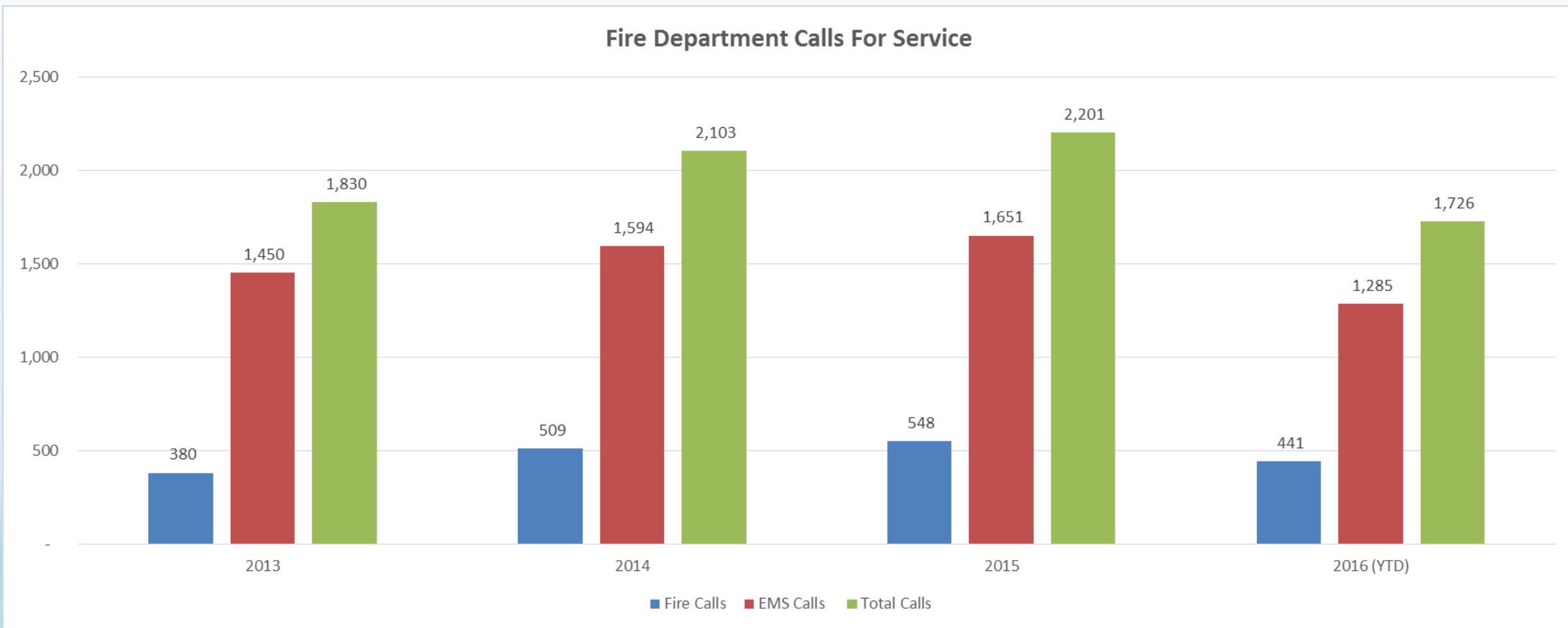
# Police Safety Improvements

---

- ❖ Additional officers provide more coverage for enhanced 'proactive' policing efforts
  - Efforts to meet accepted National Standards of proactive policing efforts (60% of on-duty time).
- ❖ Current minimum staffing is two officers per shift.
  - Additional employees would allow this minimum to increase, and also allow for directive scheduling.
- ❖ More personnel allows for flexible scheduling to deploy resources during statistically higher periods of activity.
- ❖ Ability to respond to calls for service, provide case follow-up, etc. without interrupting City coverage



# Fire/EMS Data



# Fire Data

---



- ❖ Calls for Service increasing each year since 2013 (on track for 2016 as well)
  - Up 16.3% from 2007 CFS
- ❖ EMS (ambulance) services account for 75% of all KFD calls for service
- ❖ Trends in service show more people calling for EMS services (using the emergency room as a Dr. office)
  - We have requirement to respond/evaluate/treat (cannot refuse a ride)
- ❖ We provide service to a tri-county area; Department deploys two ambulances and engine (Fire protection) when staffing allows





# Community Facilities District (CFD)

---

- ❖ The City's Finance Committee and Public Safety Committee have recommended the Council examine a CFD for public safety services.
- ❖ A CFD would include a yearly parcel tax to be levied to all property owners (including commercial and multi-family properties, if determined)
- ❖ Two-thirds (66%) vote is required for approval
- ❖ Mail-only ballot to all City of Kingsburg registered voters.
- ❖ \$250 annual amount would fund \$1.18mm in new revenue to be used only for public safety
- ❖ CFD is viewed as a more stable source of revenue (not prone to sales tax fluctuations)



# What Do You Get For the Money?

---

- ❖ Funds can only be utilized for enhanced public safety related expenditures:
  - Police personnel and/or equipment
  - EMS/Fire personnel and/or equipment
  - Animal Control services
- ❖ Any funds approved would be appropriated as part of the City's annual budget process
  - Separate fund will be setup to account for revenues and expenditures related to the CFD.
  - Includes Finance Committee review, public input, budget workshops, and City Council overview and final approval



# What Do You Get For the Money?

---

## ❖ Personnel costs:

- Average KPD wage; \$96,848 (all-inclusive)
- Average KFD wage; \$83,328 (all-inclusive)

## ❖ Existing Public Safety Costs are at 60/40 split (Police/Fire)

- This is a common standard based upon costs to operate, personnel, and equipment purchases
- It's expected future funding would follow similar funding formula

## ❖ New personnel and equipment would be dependent upon level of funding (based upon annual CFD amount)

- Follow budget process and Council approval





# Standard CFD Formation Process

---

- ❖ Property Owner Petition or Council Resolution
- ❖ Resolution of Intention
  - Minimum 30 Day Waiting Period
- ❖ Resolution of Formation and Public Hearing
  - Minimum 90 Day Waiting Period
- ❖ Election within CFD (2/3 vote required)
- ❖ Recordation of Special Tax Lien
  - Week following the election